

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re:

Case No. 08-46367

ARC Venture Holding, Inc., et al.,

(Jointly Administered)

Debtors.<sup>1</sup>

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**LIMITED OBJECTION TO TRUSTEE'S INTERIM FINAL REPORT**

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Larkin Hoffman Daly & Lindgren, Ltd. ("LHDL") responds to the Trustee's Notice of Interim Final Report [Dkt. No. 1144] as follows:

LHDL has commenced an adversary action against the Trustee to obtain declaratory relief concerning the estate's right to seek disgorgement from LHDL for their fees awarded and paid during the course of the Chapter 11 case. Adv. No. 11-4116. This adversary action was filed [Adv. Dkt. No 1], and along with the summons issued by the Court [Adv. Dkt. No. 2] served on the Trustee on April 8, 2011. An answer and counterclaim was filed by the Trustee on May 9, 2011. [Adv. Dkt. No. 4]. A trial has been scheduled on the adversary action for November 16, 2011. [Adv. Dkt. No. 5].

Part of the relief sought in Count II of the adversary action is an order declaring that the Sales Order issued by Judge O'Brien on April 6, 2009 [Dkt. No. 474] provides that all

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<sup>1</sup> Substantively consolidated estates of the following Debtors: ARC Venture Holding, Inc., Case No. BKY 08-46367; Southwest-Tex Leasing Co., Inc., Case No. BKY 08-46368; ARC of Texas, Inc., Case No. BKY 08-46369; Coast Leasing Corp., Case No. BKY 08-463670; Floral Leasing Corp., Case No. BKY 08-46371; Iliad Leasing Corp., Case No. BKY 08-46372; Miso Leasing Corp., Case No. BKY 08-46373; Nugget Leasing Corp., Case No. BKY 08-46374; Okra Leasing Corp., Case No. BKY 08-46375; Rainier Leasing Corp., Case No. BKY 08-46376; San Antonio Rental & Leasing Co., Inc. Case No. BKY 08-46377; Steamboat Springs Rental and Leasing Co., Inc., Case No. BKY 08-46379; Sun Leasing Corporation, Case No. BKY 08-46380; Tradewinds U-Drive, Inc., Case No. BKY 08-46383; Ute Leasing Corporation, Case. No. BKY 08-46384; ARC Licensing LLC Case No. 09-40394.

professional fees awarded in connection with the Section 363 sale of the Debtors' assets be paid prior to the remaining funds becoming subject to any other claims.

LHDL objects to the Trustee's Interim Final Report (the "Interim Report") [Dkt. No. 1143] to the extent that the pay out listed in the report may prejudice LHDL's claims in its adversary action against the Trustee.

The Interim Report contains an exhibit (Exhibit D) containing the Trustee's proposed interim distributions in the case. The Interim Report notes that LHDL has requested \$290,023.28 in Chapter 11 administrative expense payments, but proposes a distribution of only \$112,522.25 of that claim.

LHDL requests that any distribution order resulting from the Interim Report escrow the full amount of LHDL's Administrative Claim (\$290,023.28) until the resolution of the adversary action described above.

Respectfully submitted,

Dated: May 26, 2011

/s/ Kenneth Corey-Edstrom

Kenneth Corey-Edstrom (148696)  
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**CERTIFICATE OF SERVICE**

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Under penalty of perjury, I declare that on May 26, 2011, in connection with the above-referenced matter, the following document:

- Limited Objection to Trustee's Final Report

Was filed with the Clerk of Court by ECF and ECF will notify those parties requesting electronic service. At the Trustee's request, the above document was also served by mailing a copy via U.S. Mail to the following address:

Brian F. Leonard, Trustee  
100 South Fifth Street, Suite 2500  
Minneapolis, MN 55402

Dated: May 26, 2011

/e/ Kenneth Corey-Edstrom

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<sup>2</sup> Substantively consolidated estates of the following Debtors: ARC Venture Holding, Inc., Case No. BKY 08-46367; Southwest-Tex Leasing Co., Inc., Case No. BKY 08-46368; ARC of Texas, Inc., Case No. BKY 08-46369; Coast Leasing Corp., Case No. BKY 08-463670; Floral Leasing Corp., Case No. BKY 08-46371; Iliad Leasing Corp., Case No. BKY 08-46372; Miso Leasing Corp., Case No. BKY 08-46373; Nugget Leasing Corp., Case No. BKY 08-46374; Okra Leasing Corp., Case No. BKY 08-46375; Rainier Leasing Corp., Case No. BKY 08-46376; San Antonio Rental & Leasing Co., Inc. Case No. BKY 08-46377; Steamboat Springs Rental and Leasing Co., Inc., Case No. BKY 08-46379; Sun Leasing Corporation, Case No. BKY 08-46380; Tradewinds U-Drive, Inc., Case No. BKY 08-46383; Ute Leasing Corporation, Case. No. BKY 08-46384; ARC Licensing LLC Case No. 09-40394.